

**LODI CITY COUNCIL
SPECIAL JOINT CITY COUNCIL MEETING
WITH THE LODI BUDGET/FINANCE COMMITTEE
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 14, 2006**

A. CALL TO ORDER / ROLL CALL

The Special Joint City Council meeting with the Lodi Budget/Finance Committee of March 14, 2006, was called to order by Mayor Hitchcock at 7:01 a.m.

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Present: Lodi Budget/Finance Committee – Alegre, Domingo, Harris-Wall, Johnson, Roberts, Russell, and Chairman Kirsten

Absent: Lodi Budget/Finance Committee – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

B. Topic(s)

B-1 “City Council review and provide direction to the Lodi Budget/Finance Committee with regard to the fiscal year 2006-07 budget”

Deputy City Manager Krueger reported that the Budget/Finance Committee has met monthly since August 2005. Thus far, educational presentations have been made to the Committee. Concerns have been raised about internal service funds for facilities and fleet maintenance, deferred maintenance, and the impact of new development on delivery of services and program budgets. He reviewed a “blue sheet” (filed) listing 2006-07 budget calendar dates. The purpose of today’s meeting is for the Committee to obtain direction from the Council on its role and responsibilities.

Chairman Kirsten commented that the City has dedicated considerable time and resources to educate the Committee on various budget and finance issues. He asked Council in what direction it would like the Committee to proceed.

Mayor Pro Tempore Johnson suggested that the Committee take a “grand jury” approach on a topic, focus on it, and return to Council with comments and recommendations. Once completed, the Committee could choose another topic of interest and repeat the process. Mr. Johnson recalled that, when the Budget/Finance Committee was originally formed, he had hoped it would serve to assist and complement the Council with the City’s annual budget process.

Committee Member Johnson asked Council for input on what topics should be considered by the Committee. In reference to the budget calendar, he pointed out that the Committee would not have adequate time to study the entire budget and provide Council with recommendations on it before the anticipated adoption date. He stated that at the Committee’s first meeting, members were informed that they would serve in an advisory role and offer advice to the City Manager and then to the City Council on “higher level issues” and challenges that face the City. Early on in the process, the Committee adopted a motion stating *“that, after receiving a copy of the 2006-07 budget, the Budget/Finance Committee would make recommendations to the City Manager related to citywide operating efficiencies, but would not engage in a detailed review of operating efficiencies of individual departments.”*

Council Member Beckman recommended that the Committee focus on the Electric Utility, as it has the biggest impact on the City. He recalled that when the Committee was first created his intent was that it review the entire budget and form a consensus on what recommendations to bring to Council. He suggested that this approach could still be taken and, following the adoption of the budget, the Committee could focus on a single topic of interest.

Committee Member Alegre had thought the Budget/Finance Committee was created for the purpose of investigating departments to determine where deficiencies and inefficiencies were occurring. He noted that this cannot be effectuated by only looking at budget spreadsheets; on-site investigations would be necessary.

City Manager King explained that the budget process includes internal lobbying efforts and he questioned how productive it would be for this to occur with another group. He felt that a single topic, such as the internal service fund, would be a better avenue for the Committee to take.

Committee Member Domingo did not feel that it was the job of the Budget/Finance Committee to get involved in the daily affairs of the City. She stated that there is not adequate time available to make recommendations to the Council on the budget prior to its adoption. She favored the Committee focusing on one topic at a time.

Committee Member Roberts agreed with Ms. Domingo noting that Committee Members do not have knowledge on the day-to-day operations of the City, which would be needed in order to make evaluations.

Committee Member Harris-Wall supported the idea of focusing on one topic and agreed that there was insufficient time to review and make recommendations on the entire budget.

Committee Member Russell also agreed on the "one topic" suggestion and that there was not enough time for a full budget review prior to Council's adoption.

Council Member Hansen stated that the Electric Utility is very complicated and it would likely take a couple years of study to fully understand. He believed that the City needs to develop policies and direction to get back on track to financial stability. Strong reserve funds are needed with policies to protect them. He suggested that the Committee focus on the issue of deferred facilities and fleet maintenance and internal service funds.

Council Member Mounce stated that when the Budget/Finance Committee was first created she had thought it would be a great way to get community input from people with a different perspective, that were independent thinkers, and completely impartial. She suggested that the Committee focus half the year on reviewing the budget and developing recommendations to bring to Council and the remainder of the year focusing on one or two topics it selects as the most important.

Mayor Hitchcock had hoped that the Budget/Finance Committee could review the entire budget as a "shadow" of the Council. She noted that policy issues are the responsibility of the Council.

Committee Member Johnson reported that the Committee already considered the internal service fund and recommended that the City Manager implement internal service funds for both fleet and facilities.

Committee Member Alegre recalled that the former "Efficiency Committee" was disbanded for political reasons. He stated that this occurred because the committee members were asking questions to which some in the City objected. He reiterated that the City has deficiency and productivity issues that need to be addressed and felt it should be done by the Budget/Finance Committee.

Council Member Beckman expressed agreement with Mr. Hansen's suggestions for topics that the Committee should focus on, i.e. deferred maintenance and internal service funds, and added that the Committee could consider how to implement it over time and what the impacts would be.

MOTION:

Mayor Pro Tempore Johnson made a motion, Mounce second, to allow the Budget/Finance Committee to choose one or two departments, delve into it as deeply as they feel necessary, and come back to Council with recommendations on how to make the departments more efficient and effective.

NOTE: Council Member Mounce left the meeting at 8:30 a.m.

City Attorney Schwabauer recommended that Council seek another second to the motion, as Ms. Mounce left the meeting before the vote was taken.

Council Member Beckman seconded the above motion.

DISCUSSION:

Committee Member Harris-Wall spoke in support of the Budget/Finance Committee attending Shirtsleeve Sessions, at which the budget will be reviewed and department presentations given. Through the process, the Committee could then consider the budget as a whole and provide Council with its recommendations. Following the budget adoption, the Committee could focus on specific topics.

Committee Member Domingo voiced support for the motion as articulated by Mayor Pro Tempore Johnson.

Committee Member Roberts asked for clarification of the motion, to which Mayor Pro Tempore Johnson replied that the Committee is to choose no more than two topics at a time to investigate as thoroughly as it deems necessary and to bring suggestions for improvements to the City Manager and City Council. The choice of topics would be up to the Committee to decide upon and changes could be made if another issue arose that was more time sensitive or important.

VOTE:

The above motion carried by the following vote:

Ayes: Council Members – Beckman, Hansen, Johnson, and Mayor Hitchcock

Noes: Council Members – None

Absent: Council Members – Mounce

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:41 a.m.

ATTEST:

Susan J. Blackston
City Clerk